

## RUSSELL REYNOLDS ASSOCIATES

Matt Aiello

Russell Reynolds Associates, Inc.  
1701 Pennsylvania Avenue, NW  
Suite 400  
Washington, DC 20006-5805  
Tel: (202) 854-7843  
Fax: (202) 839-9516  
erghmann@russellreynolds.com

July 12, 2005

### PERSONAL AND CONFIDENTIAL

*Sent via e-mail*

Debra Alexander  
Executive Director, Global Compensation  
Delphi Corporation  
5725 Delphi Drive  
Troy, MI 48098-2815

Dear Debra:

On behalf of Russell Reynolds Associates, thank you for choosing us to lead the search for the Director, Global Architecture and Infrastructure reporting to the corporate CIO Bette Walker. We look forward to working with you to find a top notch candidate in the shortest amount of time. The purpose of this letter is to confirm our search strategy, communications approach, fee arrangements and client feedback process.

### Our Search Strategy

We will work with the position description that's already been provided to calibrate prospective candidates. We will use this in our dialogue with prospective candidates and as a tool to source others in the marketplace who might be helpful to our process. We also find it helpful to benchmark candidates against the qualifications and responsibilities in the initial specification, so that we all are on the same page throughout the search process. We understand you need a senior IT leader capable of leading and setting strategic direction for global enterprise architecture, infrastructure and security services and deployment. This person should ideally also have the potential to serve as a successor to the CIO at some point in the future.

To the extent that you have soft copies of key company information or press releases that you use to educate outsiders, we will include that along with the position specification when we contact sources and prospects. Alternatively, the website might be sufficient for educational purposes; let us know which would be the most effective.

We will begin mapping the market immediately and will rely upon our current work in the region to get off to a fast start. Within three to four weeks we will have made the majority

Ms. Debra Alexander  
July 12, 2005  
Page 2

of our initial overtures and had various meetings with potential candidates. We will interview all candidates either via videoconference or in person. Additionally, we will prepare what we call a candidate letter after each interview that will provide you with a more complete profile of the candidate, their qualifications and prospective cultural fit with Delphi.

Once you have decided on the ideal candidate, we will help you negotiate an offer and ensure a smooth transition. We will stay in touch with you and the candidate providing feedback and guidance in the initial months after their start with the company. Our consultative approach means extra support for both you and your new employee.

### Communications

Our approach will be to partner with you and your senior team on the search. I will lead the search and tap into the Information Officers Practice as a group when needed. We will establish bi-weekly conference calls with you until the project is complete. These calls generally range from fifteen-minute updates on our progress to longer calls depending on where we are in the process. My contact information is listed below:

### Matt Aiello

Office: 202/654-7843  
E-mail: [maiello@russellreynolds.com](mailto:maiello@russellreynolds.com)  
Fax: 202/639-9516  
Cell: 571/212-6522  
Home: 301/772-5321  
Assistant (Masa Nozad): 202/654-7895

### Our Fee Arrangements

Our fee is one-third of the total cash compensation required to attract a candidate to the position. We have discussed a base salary in the mid \$250,000 range with a 40% bonus and equity participation as a benchmark. As such, our retainer for this assignment will be \$100,000 which we will bill in three monthly installments, invoiced at the initiation of the search and at the end of 30 and 60 days. The retainer payments will be applied towards the final fee.

All normal out-of-pocket, recruiting-related expenses (such as travel/meals for recruiter/prospective candidate meetings, and outside database charges) shall be invoiced on a monthly basis, without mark-up. In addition, a fixed amount shall be charged for the cost of assignment communication and voice/data activity, including allocated telephone, facsimile, messenger/courier, duplicating, information technology, on-line research and other communications costs; current allocations total \$6,300 per assignment. These costs shall be allocated during the first three months of the assignment, and shall be billed beginning with the first invoice.

Ms. Debra Alexander  
July 12, 2005  
Page 3

For detailed information concerning additional terms and conditions, as well as billing procedures, kindly refer to the enclosed fee arrangements.

*Client Feedback*

One of our firm's core values is quality service, which exceeds our clients' expectations. In our continual efforts to improve the work we do, we review all assignments conducted by our associates, regardless of their resolution. After an assignment is resolved, we will seek your feedback. You will receive either a telephone call from a consultant working with our Chief Executive Officer, Hobson Brown, Jr., or a written survey. In asking for your views, we would appreciate your forthright assessment of the service we provided and the degree to which your expectations were met.

I am attaching our fee agreement indicating our cost for this search. Please sign this document indicating your agreement to these terms and return it to me via fax at 202-639-9516. I look forward to working with you to recruit a great addition to your team. As always, please don't hesitate to contact me if you have any questions or concerns.

Best regards,



Matt Aiello

MCA: mz  
Attachments

#71426

*DIC - GLOBAL RECRUIT.*

Ms. Debra Alexander  
July 12, 2005  
Page 4

### PROFESSIONAL FEE AGREEMENT

Our fee is one-third of the total compensation required to attract a candidate to this position. Total compensation includes base salary and any paid, accrued or deferred extra compensation items (such as incentive compensation and signing bonus). Compensation relating to services to be performed over a period greater than twelve months shall be prorated over such period. This fee obligation also applies to additional candidates who are introduced during the assignment, but are hired in any other position before and/or after the assignment is completed.

An initial, mutually agreed-upon estimate of the fee is payable in three monthly retainers invoiced at the initiation of this assignment and at the beginning of the second and third months after initiation. The first invoice is sent upon initiation of the assignment. The interim retainers shall be \$33,334 at initiation, and \$33,333 each at 30 and 60 days. Any additional fee payment based on the successful candidate's actual compensation shall be due upon completion of the assignment. These interim retainers represent our minimum fee for this assignment.

All normal out-of-pocket, recruiting-related expenses (such as travel/meals for recruiter/prospective candidate meetings, and outside database charges) shall be invoiced on a monthly basis, without mark-up. In addition, a fixed amount shall be charged for the cost of assignment communication and voice/data activity, including allocated telephone, facsimile, messenger/courier, duplicating, information technology, on-line research and other communications costs; current allocations total \$6,300 per assignment. These costs shall be allocated during the first three months of the assignment, and shall be billed beginning with the first invoice.

Although it is our objective to complete the assignment within the first three months, we shall continue working on this project until it is completed, charging only for expenses. Delphi Corporation may cancel this assignment at any time. In the event of cancellation during the first month, the invoiced amount shall consist of the first retainer, plus the first month's communication costs and any out-of-pocket expenses incurred up to and on the date of cancellation. Assignments cancelled during the second or third month shall be charged retainers on a *pro rata* basis, plus communication costs and expenses. If an assignment is cancelled at any time after the third month, we shall consider the retainer fee as having been earned. Our fee, and project-related expenses, as described in this letter, shall be payable without regard to the ultimate resolution of the assignment. If our successful candidate leaves Delphi during the first 12 months of employment for any reason other than just cause, we will conduct the search again billing only for normal out-of-pocket recruiting-related expenses. Kindly note that invoices are payable upon receipt. Non-payment of invoices in a timely manner shall result in our suspension of effort.

Delphi Corporation agrees that Russell Reynolds Associates has exclusive rights to represent the company on this assignment until it is completed or cancelled.

One of our firm's core values is quality service, which exceeds our clients' expectations. In our continual efforts to improve the work we do, we review all assignments conducted by our associates, regardless of their resolution. After an assignment is resolved, we will seek your feedback. You will receive either a telephone call from a consultant working with our President and Chief Executive Officer, Hobson Brown, Jr. or a survey will be sent via email to allow you to express your candid views. When you are contacted in connection with an assignment review, we encourage you to be open and candid in your comments.

Read, Understood and Accepted *Debra S. Alexander*  
Debra S. Alexander, Executive Director of  
Global Compensation

Date: 8-2-05

RUSSELL REYNOLDS ASSOCIATES